sector urea manufacturers during 2000-01 was the tune of 98.8% and about 97% during April to July, 2001 .The main reasons for the shortfall in production were, *inter-alia,* inadequate quantity and quality of natural gas in all the gas-based plants, unscheduled shut down due to equipment break downs and non-availability of Co2.

(c) To optimise the production up to full capacity of urea and DAP, the steps taken are, *inter-alia,* retrofitting/revamping of the existing plants and installation of dual fuel/feedstock facilities in the existing plants to overcome the inadequate supply of gas, besides making efforts to increase the gas supply perse.

Fertilizer concession schemes

2772. SHRI NANA DESHMUKH: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government have issued fresh guidelines to rationalise and simplify fertilizer concession schemes;

(b) if so, what are the details thereof; and

(c) what steps have been taken to augment the production of various fertilizers and making available fertilizers to fanners at affordable prices?

THE MINISTER OF STATE INTHE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SATYA BRATA MOOKHERJEE): (a) to (c) Fresh guidelines laying down the revised procedure for submission of bills for payment/recoveries in respect of sales of de-controlled phosphatic and potassic fertilizers under the Concession Scheme have been issued on 17.5.2001 by the Department of Fertilizers. To expedite processing of claims as also to reduce the time lag between sales and release of concession, the procedure for certification of sales has been rationalised. The full text of the revised guidelines is also available on Internet (http://fert.nic.in).

As per the Industrial policy resolution dated 24th July, 1991, no license in required for setting up/expansion of fertilizer plants. Entrepreneurs are free to set up fertilizer projects anywhere in the country subject to environmental acceptance. However, the Government of India has been providing incentives for augmenting indigenous fertilizer production which *inter-alia* include:

(i) Import of capital goods for setting up of new plants/modernisation of existing units at a concessional rate of custom duty.

(ii) Deemed export benefits to indigenous suppliers of capital goods to fertilizer projects provided such supplies are made under the procedure of international competitive bidding.

(iii) Import of fertilizer raw materials and intermediates at a concessional rate of custom duty.

(iv) Reasonable return on investment to the entrepreneurs under the Retention Price -cum-Subsidy Scheme (RPS) for urea and Concession Scheme for de-controlled fertilizers.

At present, 3 major fertilizer projects at a total estimated cost of Rs. 788 crore are under implementation in the country. When commissioned, these projects will create an additional capacity of 3.8 lakh MT per annum of urea and 6.76 lakh MT per annum of DAP, in the country.

With the objective to make available various fertilizers at affordable prices, Government announces Maximum Retail Price (MRP) for urea and its production is subsidised under the RPS. Consequent to decontrolling and decanalising of potassic and phosphatic fertilisers, the Government introduced Concession Scheme from 1992-93, under which concession is being provided on decontrolled potassic and phosphatic fertilisers on being sold at MRPs indicated under the Scheme. The imports of fertilizers other than urea, whose distribution and movement is controlled through ECA allocations, have been put under Open General License. The Buffer Scheme for imported MOP is also being implemented.

Indo-Oman Urea Project

† 2773. SHRI BRATTN SENGUPTA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that inordinate delay in the Indo-Oman Urea Project is taking place;

(b) if so, the reasons therefor and the details of its cost escalation; and

(c) by when this project is likely to be completed?

THE MINISTER OF STATE INTHE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SATYA BRATAMOOKHERJEE): (a) to (c)The Government had approved the outstanding issues relating to the Indo-Oman Fertilizer Project in January 2001. Thereafter, discussions have been held amongst the sponsors

† Original notice of the question was received in Hindi.